

Effective 7/1/2015

Superseded 5/10/2016

63N-2-508 Payment of incremental property tax revenue.

(1) As used in this section:

- (a) "Displaced tax increment" means the amount of tax increment that a county would have paid to the host agency, except for Subsection (2)(b), from tax increment revenue generated from the project area in which the hotel property is located.
- (b) "Secured obligations" means bonds or other obligations of a host agency for the payment of which the host agency has, before March 13, 2015, pledged tax increment generated from the project area in which the hotel property is located.
- (c) "Tax increment" means the same as that term is defined in Section 17C-1-102.
- (d) "Tax increment shortfall" means the amount of displaced tax increment a host agency needs to receive, in addition to any other tax increment the host agency receives from the project area in which the hotel property is located, to provide the host agency sufficient tax increment funds to be able to pay the debt service on its secured obligations.

(2)

- (a) In accordance with rules adopted by the office and subject to Subsection (5), a county in which a qualified hotel is located shall retain incremental property tax revenue during the eligibility period.
- (b) The amount of incremental property tax revenue that a county retains under Subsection (2)(a) for a taxable year reduces by that amount any tax increment that the county would otherwise have paid to the host agency for that year, subject to Subsection (5).
- (c) For any taxable year in which a reduction of tax increment occurs as provided in Subsection (2)(b), the county shall provide the host agency a notice that:
 - (i) states the amount of displaced tax increment for that year;
 - (ii) states the number of years remaining in the eligibility period;
 - (iii) provides a detailed accounting of how the displaced tax increment was used; and
 - (iv) explains how the displaced tax increment will be used in the following taxable year.

(3) Incremental property tax revenue may be used only for:

- (a) the purchase of or payment for, or reimbursement of a previous purchase of or payment for:
 - (i) tangible personal property used in the construction of convention, exhibit, or meeting space on hotel property;
 - (ii) tangible personal property that, upon the construction of hotel property, becomes affixed to hotel property as real property; or
 - (iii) any labor and overhead costs associated with the construction described in Subsections (3)(a)(i) and (ii); and
- (b) public infrastructure.

(4)

- (a) Incremental property tax:
 - (i) is not tax increment; and
 - (ii) is not subject to:
 - (A) Title 17C, Limited Purpose Local Government Entities - Community Development and Renewal Agencies Act; or
 - (B) any other law governing tax increment, except as provided in Subsection (4)(c).
- (b) The payment and use of incremental property tax, as provided in this part, is not subject to the approval of any taxing entity, as defined in Section 17C-1-102.

- (c) Revenue from an increase in the taxable value of hotel property is considered to be a redevelopment adjustment for purposes of calculating the certified tax rate under Section 59-2-924.
- (5)
- (a) Subject to Subsection (5)(b), a county may not spend the portion of incremental property tax revenue that is displaced tax increment until after 30 days after the county provides the notice required under Subsection (2)(c).
 - (b) If, within 30 days after the county provides the notice required under Subsection (2)(c), a host agency provides written notice to the county that the host agency will experience a tax increment shortfall, the county shall, unless the host agency agrees otherwise, pay to the host agency displaced tax increment in the amount of the tax increment shortfall.